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TOWNSEND AND TOWNSEND AND CREW, LLP
TWO EMBARCADERO CENTER
EIGHTH FLOOR
SAN FRANCISCO, CA 94111-3834

EXAMINER	
WONG, ERIC TAK WAI	

ART UNIT	PAPER NUMBER
3693	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/698,140	PETERSON ET AL.	
	Examiner	Art Unit	
	ERIC T. WONG	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *17 December 2008*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1,3,6,8-10,14,17-25 and 27-33* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1,3,6,8-10,14,17-25 and 27-33* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1, 3, 6, 8-10, 14, 17-25, 27-33 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For purposes of § 101, a "process" has been given a specialized, limited meaning by the courts. Based on Supreme Court precedent and recent Federal Circuit decisions, a process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under § 101 since it is directed to non-statutory subject matter. In addition to being tied to another statutory class, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. See In re Bilski, 88 USPQ2d 1385 (Fed. Cir. 2008).

A method claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1, 3, 6, 8-10, 14, 17-25, 27-33 fail to meet the above requirements since there is not a sufficient tie to another statutory class. The recitation that the method is done in a system or a computer system is not a sufficient tie since the recitation occurs only in the preamble.

Limitations which tie a method to another statutory class must impose meaningful limits on the method claim's scope to pass the test. Insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step, such as data gathering or outputting, is not sufficient to pass the test.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Examiner's note: Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the **entire** reference as potentially teaching all or part of the claimed invention, as well as the content of the passage as taught by the prior art or disclosed by the Examiner.

4. Claims 1, 3, 6, 8, 9, 14, 17-25, and 29-32 rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman (US Patent 7,249,080, cited in prior Office action) in view of Perkel (US PG-Pub 2002/0062273).

Regarding claim 1,

Hoffman teaches receiving a risk tolerance for a client (see column 2 lines 34-36); receiving preferences for the client, wherein the preferences for the client include an identification of specific assets that a client wants to sell or hold (see column 36 lines 16-18); identifying assets held in the client's portfolio (see column 4 lines 6-11, 54-58); based on the

preferences and the risk tolerance for the client, determining a recommended asset allocation (see column 12 lines 61-67); providing a database with ratings for different financial assets (see column 11 lines 63-66); identifying one or more assets in the client's portfolio that are recommended to be sold (see column 12 lines 61-67); for each asset of the one or more identified assets recommended to be sold, generating a list of alternative client portfolio assets recommended to be sold instead of the identified asset (see column 21 lines 18-23, 38-46); wherein an asset is recommended to be sold based on one of the following criteria: (1) the asset is recommended to be sold to achieve a recommended asset allocation (2) the asset is recommended to be sold based on a specific client preference (3) the asset is recommended to be sold in order to achieve sector diversification (4) the asset is recommended to be sold based on a poor rating for the asset in the database (5) the asset is recommended to be sold in order to reduce concentration in the asset, or (6) the asset is recommended to be sold to realize tax loss harvesting;

Hoffman further teaches recommending assets to be sold to achieve a recommended asset allocation and recommending assets to be sold due to poor ratings (see column 13 lines 22-36). Hoffman does not explicitly teach displaying, along with the recommendations, the bases for the recommendations, wherein the bases correlate to investment strategies for the client's portfolio. Perkel teaches that when a client places an order with a broker in response to an advice interaction with a broker, the resulting trade is deemed a "solicited trade" (see paragraph 4). Perkel further teaches that this advice may include recommending to sell for various reasons correlating to an investment strategy for the client's portfolio (see at least FIG. 9B2). Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the system of Hoffman to include identifying the basis for recommending that assets be sold, wherein the basis may include recommending assets to be sold to achieve a

recommended asset allocation or recommending assets to be sold due to poor ratings. Modifying the layout of information such that the recommendations are placed in tables with each table corresponding to a basis for recommendation constitutes a mere rearrangement of data which does not patentably distinguish the claimed invention from the prior art.

Regarding claim 3,

Hoffman teaches displaying a rating of an asset (see Fig. 10).

Regarding claims 6 and 8,

The claims recites limitations similar to those found in claim 1 (see rejection above). Claim 1 additionally recites identifying a second set of assets recommended to be purchased, and for at least one asset in the second set of assets, providing a group of alternative recommended assets to purchase instead of the at least one asset wherein if a client sells the first set of assets and purchases the second set of assets, an asset allocation for the client's portfolio will be closer to the recommended asset allocation than if the client does not make the purchases or sales. Hoffman teaches these limitations (see at least FIG.13, "Portfolio Recommendations" table, abstract, column 9 lines 10-15).

Regarding claim 9,

The claim recites wherein each asset in the first set of generated assets is recommended to be sold on three or more of the following criteria: (1) to bring the client portfolio closer to the recommended asset allocation, (2) based on a specific client preference (3) to achieve sector diversification (4) based on a poor rating for the asset in the database (5) to reduce concentration in the asset (6) to realize tax loss harvesting.

Examiner notes that all of the preceding reasons were old and well known in the art at the time of invention. In addition, the prior art discloses at least 3 of the preceding criteria. For example, Perkel at FIG. 9B2 teaches "asset allocation adjustment", "change in client goals and/or objectives", "concentrated equity position" (reduce concentration in the asset). It would have been within the knowledge of one of ordinary skill in the art at the time of invention that there may be multiple reasons for recommending a sell of a security. Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify Hoffman with wherein each asset in the first set of generated assets is recommended to be sold on three or more of the following criteria: (1) to bring the client portfolio closer to the recommended asset allocation, (2) based on a specific client preference (3) to achieve sector diversification (4) based on a poor rating for the asset in the database (5) to reduce concentration in the asset (6) to realize tax loss harvesting. One skilled in the art would have been motivated to make the modification in order to identify stronger sell recommendations.

Regarding claim 14,

The claim contains similar limitations to those found in claim 1 and 6 (see above rejections).

Hoffman teaches recommending the sale of holdings in a security in order to achieve a predetermined asset allocation where an asset has a rating in the database which indicates poor future expected performance. Where the general conditions of a claim are disclosed in the prior art, it is not inventive to discover the optimum or workable ranges by routine experimentation." *In re Aller*, 220 F.2d 454, 456, 105 USPQ 233, 235 (CCPA 1955). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the recommending the sale of holdings in a security of Hoffman with recommending such that the

security will represent no more than 20% of the client's portfolio. One skilled in the art would have been motivated to make the modification for the benefit of achieving diversification.

Hoffman teaches recommending the sale of securities within a sector to bring an exposure to sector down (see column 28 lines 30-38). Where the general conditions of a claim are disclosed in the prior art, it is not inventive to discover the optimum or workable ranges by routine experimentation." *In re Aller*, 220 F.2d 454, 456, 105 USPQ 233, 235 (CCPA 1955). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the recommending the sale of securities of Hoffman with where a first group of securities are of a first sector type, and where the first group of securities are more than 20% above a recommended benchmark sector weight for the first sector type, recommending the sale of some of the securities in the first group to bring an exposure to the first sector type down to 10% above the recommended benchmark sector weight for the first security type. One skilled in the art would have been motivated to make the modification for the benefit of achieving diversification.

Regarding claims 17-18,

The claims contain similar limitations to those found in claim 1 and 6 (see above rejections).

Regarding claims 19 and 20,

Hoffman teaches for each of one or more identified assets recommended to be sold or purchased, generating a list of alternative client portfolio assets recommended to be sold or purchased instead of the identified asset (see abstract, column 9 lines 10-15). Therefore, it would have been obvious to one skilled in the art at the time of invention to display the group of

recommended alternative assets that can be sold or purchased in place of the first asset in response to a user selecting an edit field, such as a drop-down box.

Regarding claim 21,

Hoffman teaches recommending the selling of a first asset that represents an over concentration of the portfolio in the first asset (see column 28 lines 30-38).

Regarding claim 22,

Hoffman teaches recommending the selling of a third asset in order to realize a capital loss (see column 19, lines 21-22).

Regarding claim 23,

Hoffman teaches wherein the reason for recommending the purchase of the asset is related to the client's preferences and risk tolerance (see column 3 lines 31-45).

Regarding claim 24,

Hoffman teaches wherein the reason for recommending the purchase of the asset is further related to the rating of the asset in the database (see column 13 lines 1-6).

Regarding claim 25,

Hoffman teaches wherein the reason for recommending the purchase of the asset is independent of another client portfolio.

Regarding claims 29-32,

Hoffman teaches recommending assets to be sold based on a specific client preference (see column 2 lines 34-36); recommending assets to be sold in order to achieve sector diversification (see column 28 lines 30-38); recommending assets to be sold in order to reduce concentration in the asset (see column 28 lines 30-38); recommending assets to be sold to realize tax loss harvesting (see column 28 lines 42-46).

As discussed above in the rejection of claim 1, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the system of Hoffman to include identifying the basis for recommending that assets be sold. Modifying the layout of information such that the recommendations are placed in tables with each table corresponding to a basis for recommendation constitutes a mere rearrangement of data which does not patentably distinguish the claimed invention from the prior art.

5. Claim 10 rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman in view of Perkel, further in view of Ray (US Patent 6,018,722, cited in prior Office action).

Regarding claim 10,

Ray teaches wherein the identification of assets held in a client's portfolio includes identifying multiple accounts owned by the client and identifying all of the assets held in each of the multiple accounts (see column 9 lines 14-22). It would have been obvious to one of ordinary skill in the art to modify Hoffman further with wherein the identification of assets held in a client's portfolio includes identifying multiple accounts owned by the client and identifying all of the assets held in each of the multiple accounts. The modification would have merely been the application of a known technique to a known method yielding predictable results.

6. Claim 27 rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman in view of Perkel, further in view of Bove (US Patent 7,149,713, cited in prior Office action), further in view of Applicant admission of prior art.

Regarding claim 27,

Bove teaches receiving all the account numbers for a plurality of investment accounts the client has at a particular financial institution; recommending placing assets into the included accounts in a tax efficient manner (see abstract, column 4 lines 48-67). It would have been obvious to one skilled in the art at the time of invention to modify the method of providing financial advice of Hoffman further with recommending placing assets into the included accounts in a tax efficient manner. One skilled in the art would have been motivated to make the modification to reduce capital gains taxes.

Official Notice was taken in the prior Office action that receiving preferences specifying which accounts to include in financial advisory considerations was old and well known at the time of invention. For example, when one goes to a full service broker who manages multiple accounts, such as an IRA and an individual account, that person may specify the account in which he wants to receive financial advice. Applicant challenges the examiner's taking of Official Notice in each and every instance that is done in this Office Action and in future Office Actions (see Remarks 12/17/2008, pg. 15). However, the traversal is inadequate for the following reasons:

As per MPEP 2144.03,

> C. If Applicant Challenges a Factual Assertion as Not Properly Officially Noticed or Not Properly Based Upon Common Knowledge, the Examiner Must Support the Finding With Adequate Evidence

> To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2). If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

The traversal is not adequate since it amounts to a general allegation that the claims define a patentable invention without any reference to the examiner's assertion of Official Notice. Applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. Since applicant did not adequately challenge the Official Notice taken in the prior Office actions, the limitation is now construed as admission of prior art. If Applicant wishes to challenge the Official Notice again, then an adequate traversal must be provided.

It would have been obvious to one skilled in the art at the time of invention to modify the method of providing financial advice of Hoffman further with receiving preferences wherein the preferences also include which of the plurality of accounts are to be included in financial advisory considerations. The modification would have merely been the application of a known technique to a known method ready for improvement yielding predictable results.

7. Claims 28 and 33 rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman in view of Perkel, further in view of Official Notice.

Regarding claims 28 and 33,

Official Notice is taken that deriving a recommended asset allocation based on an underlying target asset allocation corresponding to model portfolios constructed via means-variance optimization is old and well known in the art (Markowitz's mean-variance model). Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify Hoffman further with wherein determining a recommended asset allocation is further based on an underlying target asset allocation corresponding to model portfolios constructed via means-variance optimization. The modification would have merely been the application of a known technique to a known method ready for improvement yielding predictable results.

Response to Arguments

8. Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ERIC T. WONG whose telephone number is 571-270-3405. The examiner can normally be reached on Monday-Friday 9:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

ERIC T. WONG
Examiner
Art Unit 3693

February 19, 2009